



I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused the Report on Examination of Provider Partners Health Plan of North Carolina, Inc., as of December 31, 2024 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 12th day of June, 2026.



Mike Causey
Commissioner of Insurance

Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
Financial Examination Division

Provider Partners Health Plan of North Carolina, Inc.

Winston-Salem, North Carolina

Report on Examination

As of December 31, 2024

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May 14, 2026

Honorable Mike Causey
Commissioner of Insurance
State of North Carolina
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-67-100 of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

Provider Partners Health Plan of North Carolina, Inc.

(hereinafter referred to as the “Company”), acknowledging that its main administrative office is located at 8820 Columbia 100 Parkway, Suite 430, Columbia, Maryland 21045. The Company’s statutory home office is located at 111 Oakwood Drive, Suite 420, Winston-Salem, North Carolina 27103. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Company. This examination covers the period from April 1, 2023, to December 31, 2024, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination. This examination serves as the Department’s first examination of the Company.

The purpose of this examination is to assess the financial condition and controls of the Company and set forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

This was a multi-state coordinated financial examination of seven (7) insurance company subsidiaries of PPHP HoldCo, LLC (collectively known as the “Plans”). Maryland served as the Lead State, and Participating States included North Carolina, Pennsylvania, Texas, Illinois, Indiana, and Missouri.

We conducted our examination in accordance with auditing standards established by the Department and the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process, and the following key functional activities were identified:

Claims
Investments
Other
Reinsurance
Related Parties
Reserves (Health)

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately from the Company's financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to the Company.

The Company's Annual Statements, work papers, and the independent audit work papers were reviewed and relied upon whenever possible. A trial balance reconciliation of the Annual Statement was performed, as were a verification of ownership and valuation of assets, determination of liabilities and reserves, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Company's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from Company management.

The books and records of the Company are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). CliftonLarsonAllen LLP of Minneapolis, Minnesota, the designated independent public accountant of the Company, issued an unmodified opinion for the year ended December 31, 2024. The Company was exempt from an independent certified public accountant's audit for the year ended December 31, 2023.

REPORT ACRONYMS

Board of Directors	“Board”
Elixir RX Solutions, LLC	“Elixir”
Financial Condition Examiners Handbook	“Handbook”
General Statutes of North Carolina	“GS”
Health Maintenance Organization	“HMO”
HealthAxis Group, LLC	“HealthAxis”
Information Technology General Controls	“ITGCs”
Information Technology Planning Questionnaire	“ITPQ”
Institutional Special Needs Plans	“I-SNP”
Institutional Equivalent Special Needs Plans	“IE-SNP”
Medicare Advantage	“MA”
National Association of Insurance Commissioners	“NAIC”
North Carolina Department of Insurance	“Department”
Provider Partners Care Management, L.P.	“PPCM”
Providers Partners Management Services, LLC	“PPMS”

“Plans” includes the following insurance companies:

Provider Partners Health Plan, Inc.	None
Provider Partners Health Plan of Illinois, Inc.	None
Provider Partners Health Plan of Indiana, Inc.	None
Provider Partners Health Plan of Pennsylvania, Inc.	None
Provider Partners Health Plan of Missouri, Inc.	None
Provider Partners Health Plan of North Carolina, Inc.	“Company”
Provider Partners Health Plan of Texas, Inc.	None

“Guarantors” includes the following:

Charles Trefzger, Jr.	None
Scott Rifkin	None
Care Partners, LLC	None

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS AND DIRECTIVES

- a. The Company did not file a letter designating an Audit Committee as described in GS § 58-10-195(d). Pursuant to GS § 58-10-190(3), if an Audit Committee is not designated by the Company, the Company’s entire Board of Directors (“Board”) shall constitute the Audit Committee. During the Department’s examination, it was noted that an Audit Committee was established by the Board; however, no formal designation letter was filed with the Department. The Company is directed to comply with GS § 58-10-195(d).

- b. The Company is in violation of GS § 58-67-30(a) by failing to submit its third-party services agreement with HealthAxis Group, LLC (“HealthAxis”), effective January 1, 2024, to the Department for review and approval prior to executing the agreement. GS § 58-67-30(a) states that no health maintenance organization shall enter into an exclusive agency, management, or custodial agreement unless the agreement is first filed with the Commissioner and approved under this section within 45 days after filing or such reasonable extended period as the Commissioner shall specify by notice that is given within the 45-day period. The Company is directed to comply with GS § 58-67-30(a).

ORGANIZATIONAL STRUCTURE

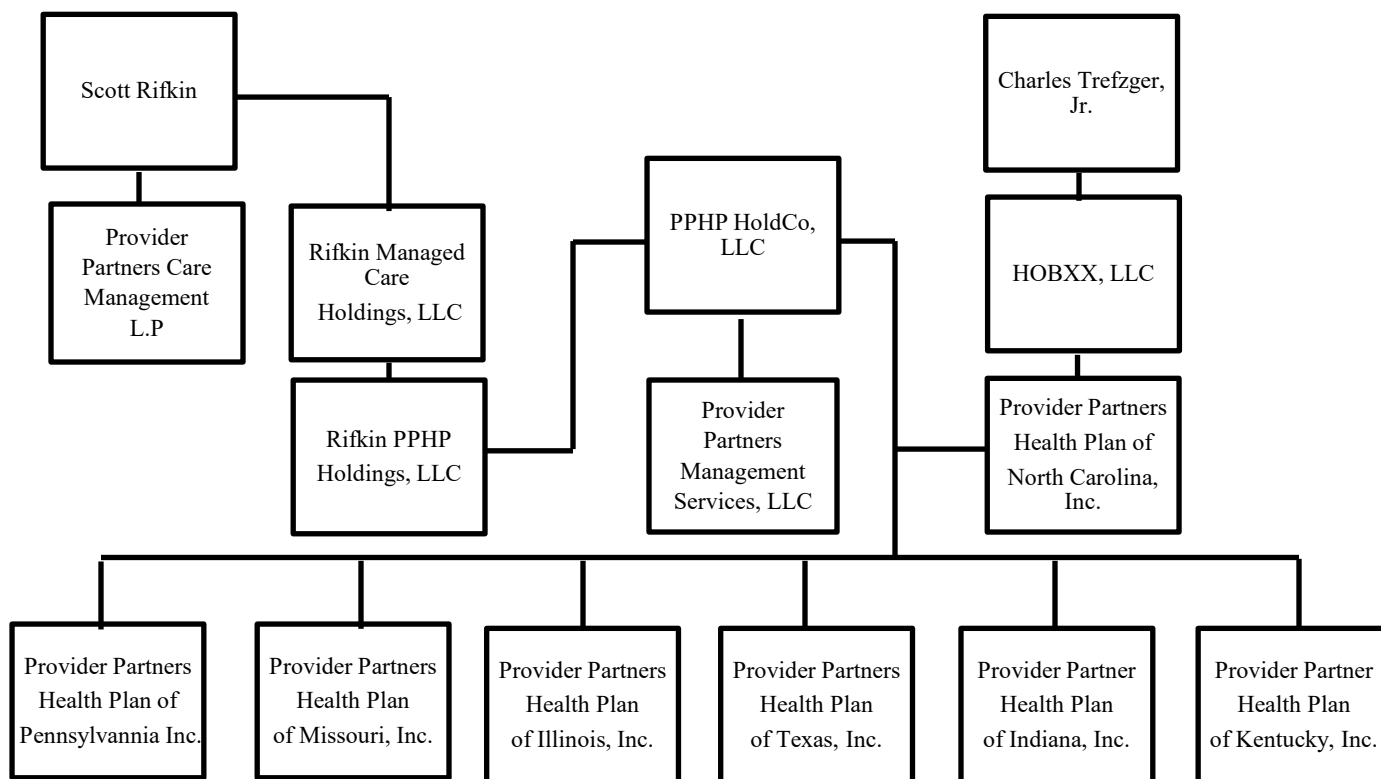
The Company is part of an insurance holding company system as defined in GS § 58-19. HOBXX, LLC owns 80% of the Company, and the remaining 20% is owned by PPHP HoldCo, LLC, a Maryland corporation. Charles Trefzger, Jr. wholly owns HOBXX, LLC and is the Company’s ultimate controlling person.

Scott Rifkin wholly owns Rifkin Managed Care Holdings, LLC, a Maryland corporation, which owns 65% of Rifkin PPHP Holdings, LLC. The remaining 35% ownership interest in Rifkin PPHP Holdings, LLC is held by Bruce Grindrod (18%), the Scott Rifkin Trusts (13%), and several other investors (4%). PPHP HoldCo, LLC is owned by Rifkin PPHP Holdings, LLC (44%), Care Partners, LLC (26%), and several other investors (30%). Scott Rifkin is the ultimate controlling person of PPHP HoldCo, LLC.

Scott Rifkin also wholly owns Provider Partners Care Management, L.P. (“PPCM”), which has services agreement with Provider Partners Management Services, LLC (“PPMS”) to provide clinical services to the Plans. PPMS is wholly owned by PPHP HoldCo, LLC and provides management services to the Plans.

ORGANIZATIONAL CHART

The Company’s 2024 Annual Statement Schedule Y contains a complete list of insurance and insurance holding company related entities. The following is a summarized organizational chart of the Company within the holding company group as of December 31, 2024:



COMPANY HISTORY

The Company was incorporated under the laws of North Carolina on November 17, 2017, as a general business corporation. On October 4, 2022, the Company filed an amendment to its Articles of Incorporation, which authorized the Company to issue a total of 200,000 shares of capital stock with no par value, established voting and shareholder rights, and defined the structure of the Board.

On October 12, 2022, the Company received capital contributions totaling \$2,250,000 in exchange for the issuance of 5,000 common capital shares. HOBXX, LLC contributed \$1,800,000 to the Company in exchange for 4,000 shares and PPHP HoldCo, LLC contributed \$450,000 to the Company in exchange for 1,000 shares. On March 24, 2023, the Company received additional capital contributions from HOBXX, LLC and PPHP HoldCo, LLC totaling \$3,000,000 and \$750,000, respectively. The Company became a licensed Health Maintenance Organization (“HMO”) in North Carolina on April 1, 2023, and began writing business on January 1, 2024.

CAPITAL STOCK

As of December 31, 2024, the Company’s capitalization consisted of the following:

Description	Value
Number of authorized common capital shares	200,000
Number of common capital shares issued and outstanding	5,000
Total common capital stock	\$0
Par value per share	No par value

At December 31, 2024, the Company reported \$6,000,000 in gross paid-in and contributed surplus and (\$1,785,953) in unassigned surplus.

DIVIDENDS TO STOCKHOLDERS

Dividends on common stock are paid as declared by the Board of the Company. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Company may pay to shareholders is limited to the greater of 10% of the most recent year-end policyholders’ surplus or net income (excluding realized capital gains) earned for that same year-end. Any amount in excess of this is considered extraordinary. The Company paid no dividends during the examination period.

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Shareholders

The bylaws of the Company provide that an annual meeting of the shareholders be held in the second and third quarters of each year at such time and place as the Board may appoint. If the annual meeting of the shareholders is not held within the period designated, a substitute annual meeting may be called and designated for all purposes as the annual meeting of the shareholders. Special meetings of the shareholders may be called at any time by the Chief Executive Officer, the President or the Board.

Board of Directors

The business of the Company is conducted by its management team and subject to review by the Board. The bylaws specify that the number of directors shall be not less than five (5) and not more than eleven (11). Directors are elected annually, at the annual meeting of shareholders or by the written consent of the stockholders, and each director elected shall hold office until a successor is elected and qualified. Directors need not be residents of the state of North Carolina, and at least two (2) directors shall not be affiliates of any shareholder of the Company.

The following individuals served as directors as of December 31, 2024:

Name	Location	Principal Occupation
Charles Trefzger, Jr.	Hickory, NC	Chief Executive Officer, ALG Senior, LLC
Scott Rifkin	Linthicum Heights, MD	Director, Provider Partners Health Plan, Inc. and Chief Executive Officer, Mid-Atlantic Health Care, LLC
Thomas Stahlschmidt	Hickory, NC	Senior Vice President of Operations and Chief Revenue Officer, ALG Senior, LLC
Lanier Cansler	Raleigh, NC	President and Chief Executive Officer, Cansler Collaborative Resources, LLC
David Jones	Hickory, NC	Retired

The Board has established an Executive Committee and design to act on behalf of the Company; however, no formal Audit Committee designation has been submitted to the Department. (See Summary of Significant Findings)

The following individuals served on the Board's established committees as of December 31, 2024.

Audit Committee

Charles Trefzger, Jr., Chair
David Jones
Lanier Cansler

Executive Committee

Scott Rifkin, Chair
Charles Trefzger, Jr.

Officers

The bylaws provide that the officer shall be elected by the Board or appointed by the Chief Executive Officer or President, to the extent authorized by the Board. The officers of the Company shall include a Chair of the Board, Chief Executive Officer, President, Secretary, and a Chief Financial Officer and may include one or more Vice Chairs of the Board, Chief Operating Officer, Chief Administrative Officer, one or more Executive Vice Presidents, one or more additional Vice Presidents, Treasurer, Controller, one or more Assistant Secretaries, one or more Assistant Treasurers, one or more Assistant Controllers, and such other officers as shall be deemed necessary by the Board. All officers shall hold office subject to removal at any time by the Board until their successor is elected and qualified. Any two or more offices may be held by the same individual, but no officer may act in more than one capacity where action of two or more officers is required.

The following individuals served as officers of the Company as of December 31, 2024:

Name	Title
Bruce R. Grindrod	Chief Executive Officer and President
Keith Persinger	Chief Operating Officer
Craig Fleischmann	Chief Financial Officer
Marybeth McIntyre	Secretary and Treasurer

CODE OF CONDUCT AND CONFLICT OF INTEREST

The Company has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Company requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that the Company acted in accordance with its policies and procedures for disclosure of conflicts of interest.

CORPORATE RECORDS

We reviewed the minutes of the meetings of the Board and its committees for the period under examination. Based on our review, it appears that the minutes documented the Company's significant transactions and events and that the directors approved of these transactions and events.

The Company's Articles of Incorporation and Bylaws were reviewed for any changes during the period under examination. On May 4, 2023, the Company amended its Articles of Incorporation to define the purpose of the Company to operate as an HMO pursuant to GS § 58-67. Based on our review, there were no other changes made to the Company's corporate records during the examination period.

STATUTORY DEPOSITS

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. At December 31, 2024, the Company maintained a statutory deposit in North Carolina totaling \$500,001.

ACCOUNTS AND RECORDS

The Company's books and records are maintained at the main administrative office at 8820 Columbia 100 Parkway, Suite 430, Columbia, Maryland 21045.

INFORMATION TECHNOLOGY CONTROLS

A risk-based assessment and review of the Plans' Information Technology General Controls ("ITGCs") was performed in accordance with the NAIC requirements as outlined in the Handbook. The Company was included in the scope of the ITGC review. The guidance and direction used to perform the review of the Plans' ITGCs were derived from Exhibit C Part 1 – Information Technology Planning Questionnaire ("ITPQ") and Exhibit C Part 2 – Information Technology Work Program (collectively, "Exhibit C"). The Plans' responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

The Department's objectives were to obtain reasonable assurance about whether:

- a. the Plans have a process in place to effectively identify, mitigate, and manage its IT risks;
- b. the Plans' control structure, policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- c. the Plans were complying with those policies and procedures.

The objectives above were achieved through a combination of reviewing the Plans' policies and procedures, testing in key areas related to Exhibit C, interviewing the Plans' IT management, reviewing IT risk assessment processes, and leveraging relevant risk assessment procedures performed by the Plans' independent accountant, CliftonLarsonAllen LLP.

Based upon the risk-based assessment and review, the Plans' ITGCs were determined to be effective.

FIDELITY BONDS AND OTHER INSURANCE

At December 31, 2024, the Company was a named insured under a fidelity bond issued to PPMS with coverage totaling \$3,000,000 in aggregate, which exceeds the minimum coverage recommended by the Handbook for the Plans on a consolidated basis.

In addition, the Company is a named insured on various corporate property and liability policies issued to PPMS and PPHP HoldCo, LLC, which appears to be adequate to cover risks in the normal course of business.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company had no employees. Personnel and management services are provided to the Company through related party agreements.

THIRD-PARTY ADMINISTRATOR

The Company is party to a Services Agreement between the Plans and HealthAxis, effective January 1, 2024, whereby HealthAxis provides services such as claims processing, coverage appeals and grievances, member communications, enrollment, member premium billing, regulatory reporting, and revenue management. The Company pays a minimum monthly aggregate fee and an additional fee per member per month when its membership exceeds 7,500 members in a given month. The Company incurred fees totaling \$30,310 in 2024 under this agreement. (See Summary of Significant Findings)

The Company is party to a Pharmacy Benefit Management Services Agreement between the Plans and Elixir RX Solutions, LLC ("Elixir"), effective January 1, 2024, whereby Elixir provides various services including claims processing for covered drugs, direct member reimbursement for amounts paid out of pocket for covered drugs, customer service, maintenance of business records and standard pharmacy benefit manager reporting. The Company pays a tiered administrative fee per claim based on the number of plan members and fees for any additional services provided by or miscellaneous expenses incurred by Elixir. The Company incurred fees totaling \$15,602 in 2024 under this agreement.

RELATED PARTY AGREEMENTS

Service Agreements

The Company has a Management Services Agreement with PPMS, effective January 31, 2023, whereby PPMS provides management, administrative, and business services such as managing financial reporting and tax services, information systems management, facilities management, investment management, other technical, and professional services which relate to day-to-day operations of the Company. PPMS also monitors and provides oversight of third-party vendors or administrators contracted by PPMS to cover business functions that support the Company. Prior to the first enrollment, the Company paid PPMS a \$500,000 implementation charge and a monthly fee equal to the actual direct costs incurred by PPMS in providing services, including expenses associated with the commencement of the Company's health insurance plan. Once the first participant was enrolled, the Company began paying a monthly fee equal to the actual direct costs in providing services to the Company, as well as any indirect costs based on the Company's monthly membership enrollment in comparison to the aggregate enrollment in the Plans managed by PPMS. The Company also pays a management fee equal to 1% of the Company's monthly premium collections.

The Company is provided services under a Services Agreement between PPMS and PPCM effective January 1, 2022, whereby PPCM provides care management services to participants of the Plans managed by PPMS. Services include coordinating care management, providing clinical care, and providing education to staff, participants and families. PPMS pays a monthly management fee equal to 1% of the aggregate premiums collected on behalf of the Plans in addition to any direct or indirect expenses incurred by PPCM on behalf of the Plans. Fees incurred by PPMS on behalf of the Plans under this agreement are allocated to the Plans and reimbursed monthly.

The Company paid PPMS fees totaling \$924,775 and \$832,268 in 2024 and 2023, respectively, related to these agreements.

Capital Maintenance Agreement

The Company has a Capital Maintenance Agreement with Charles Trefzger, Jr., Scott Rifkin, and Care Partners, LLC (collectively the "Guarantors"), effective March 24, 2023, whereby the Guarantors unconditionally guarantee the capital obligations of the Company 1) for the protection against insolvency as required under § 58-67-110; 2) to ensure the Company maintains North Carolina's statutory minimum net worth of \$1,000,000; and 3) to ensure the Company maintains a satisfactory risk-based capital level of 300%. If any of the obligations are not met, the Guarantors shall provide the amounts sufficient for the Company to meet its capital obligations. Each Guarantor's liability under this agreement is limited to their pro rata share of the capital obligations, which is 80% for Charles Trefzger, Jr., 12% for Scott Rifkin, and 8% for Care Partners, LLC.

TERRITORY AND PLAN OF OPERATION

The Company became a licensed HMO on April 1, 2023, and was restricted to writing only Medicare Advantage (“MA”) business in certain North Carolina counties for a maximum of 1,000 members.

On January 1, 2024, the Company began writing business in the individual MA market, offering Institutional Special Needs Plans (“I-SNP”), Institutional Equivalent Special Needs Plans (“IE-SNP”), and Medicare Part D prescription drug benefits. The Company’s I-SNP and IE-SNP enrollment is limited to MA patients who meet an institutional level of care and either live in or are expected to live in a long-term medical facility for 90 days or longer. Coverage provided under the I-SNP and IE-SNP plans includes an onsite nurse practitioner, primary care physician visits, vision, hearing, non-emergency transportation, podiatry, therapy visits, skilled nursing and specialist visits.

At December 31, 2024, the Company served 100 members and was authorized to write MA business in the following North Carolina counties:

Burke	Cabarrus	Catawba	Cleveland	Davie
Duplin	Forsyth	Gaston	Guilford	Halifax
Henderson	Hertford	Jackson	Johnston	Lincoln
Mecklenburg	Mitchell	New Hanover	Northampton	Robeson
Sampson	Surry	Transylvania	Wake	Wayne
Wilkes				

TRENDS OF THE COMPANY

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Company for the two-year period ended December 31, 2024:

Year	Net Admitted Assets	Capital and Surplus	Gross Premiums Written	Net Earned Premiums	Net Loss
2024	\$5,266,802	\$4,214,047	\$2,124,257	\$2,121,303	(\$1,004,114)
2023	\$5,266,632	\$5,218,871	-	-	(\$781,129)

ACTUARIAL OPINION

Every HMO doing business in this State, unless otherwise exempted by the Commissioner, shall annually have an Actuarial Opinion and Actuarial Memorandum made available to the Board in accordance with the Annual Statement Instructions and GS § 58-2-165(c) pursuant to GS § 58-67-55.

The statutory reserves and related items for 2024 were reviewed and certified by the Company's Appointed Actuary, Hayley Rogers, FSA, MAAA, Milliman, Inc. Actuarial opinions regarding the Company's reserves for claims unpaid, unpaid claims adjustment expenses, and aggregate health policy reserves were only issued by an appointed actuary for 2024, as the Company was exempted from filing in 2023 as no business was written in 2023. The Appointed Actuary evaluated the data provided by the Company for reasonableness and consistency of the claims unpaid, unpaid claims adjustment expenses, and aggregate health policy reserves. According to the actuarial opinion, the Company's reserves for claims unpaid, unpaid claims adjustment expenses, and aggregate health policy reserves met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all claims unpaid and unpaid claims adjustment expense obligations of the Company.

REINSURANCE PROGRAM OVERVIEW

The Company has an HMO specific excess of loss reinsurance contract with PartnerRe America Insurance Company effective January 1, 2024, which provides unlimited loss coverage in excess of the Company's retention totaling \$225,000 for each covered person during the agreement term. In 2024, the Company ceded premiums totaling \$2,954 to PartnerRe America Insurance Company under this contract.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2024. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2023, are unexamined and are presented for comparative purposes only.

Provider Partners Health Plan of North Carolina, Inc.
Statutory Statement of Admitted Assets
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Cash, cash equivalents and short-term investments	\$5,194,508	\$5,264,461
Total cash and invested assets	5,194,508	5,264,461
Investment income due and accrued	1,828	2,171
Uncollected premiums and agents' balances in the course of collection	291	-
Accrued retrospective premiums	45,929	-
Amounts recoverable from reinsurers	587	-
Current federal income tax recoverable	7,154	-
Healthcare and other amounts receivable	16,505	-
Total admitted assets	\$5,266,802	\$5,266,632

Provider Partners Health Plan of North Carolina, Inc.
Statutory Statement of Liabilities, Capital and Surplus
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Claims unpaid	\$640,363	\$-
Unpaid claims adjustment expenses	10,178	-
Aggregate health policy reserves	235,842	-
General expenses due or accrued	18,253	15,176
Federal and foreign income tax payable	-	14,846
Amounts due to parent, subsidiaries and affiliates	111,026	17,739
Liability for amounts held under uninsured plans	37,093	-
Total liabilities	1,052,755	47,761
Gross paid in and contributed surplus	6,000,000	6,000,000
Unassigned funds	(1,785,953)	(781,129)
Total capital and surplus	4,214,047	5,218,871
Total liabilities, capital, and surplus	\$5,266,802	\$5,266,632

Provider Partners Health Plan of North Carolina, Inc.
Statutory Statement of Revenue and Expenses
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Underwriting loss:		
Net premium income	\$2,121,303	\$-
Total revenues	2,121,303	-
Deductions		
Hospital and medical benefits	1,605,928	-
Prescription drugs	145,493	-
Claims adjustment expenses	742,038	-
General administrative expenses	637,002	878,359
Increase in reserves for life and health contracts	235,842	-
Total underwriting deductions	3,366,303	878,359
Net underwriting loss	(1,245,000)	(878,359)
Investment income:		
Net investment income earned	240,886	123,076
Net investment gain	240,886	123,076
Federal and foreign income taxes incurred	-	25,846
Net loss	(\$1,004,114)	(\$781,129)

Provider Partners Health Plan of North Carolina, Inc.
Statutory Statement of Capital and Surplus
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Capital and surplus, beginning of year	\$5,218,871	\$-
Capital and surplus increases (decreases):		
Net loss	(1,004,114)	(781,129)
Change in net deferred income tax	(184,510)	184,508
Change in non-admitted assets	183,800	(184,508)
Paid-in capital	-	6,000,000
Net change in capital and surplus	(1,004,824)	5,218,871
Capital and surplus, end of year	\$4,214,047	\$5,218,871

Provider Partners Health Plan of North Carolina, Inc.
Statutory Statement of Cash Flow
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Cash used by operations		
Premiums collected net of reinsurance	\$2,310,217	\$-
Net investment income	241,229	120,905
Total	2,551,446	120,905
Benefit and loss related payments	1,128,150	-
Commissions, expenses paid and aggregate write-ins	1,564,534	863,183
Federal income taxes paid	22,002	11,000
Total	2,714,686	874,183
Net cash used by operations	(163,240)	(753,278)
Cash from financing and miscellaneous sources		
Cash from capital and paid-in surplus, less treasury stock	-	6,000,000
Other cash provided	93,287	17,739
Net cash from financing and miscellaneous sources	93,287	6,017,739
Reconciliation of cash and short-term investments		
Net change in cash, cash equivalents and short-term investments	(69,953)	5,264,461
Cash and short-term investments, beginning of year	5,264,461	-
Cash and short-term investments, end of year	\$5,194,508	\$5,264,461

COMMENTS ON FINANCIAL STATEMENTS

Basis of Presentation and Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared on the basis of the accounting practices prescribed or permitted by the Department.

The more significant accounting policies followed by the Company are as follows:

Cash and short-term investments: Stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.

Claims unpaid and unpaid claims adjustment expenses: Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for claims incurred but not reported.

Nonadmitted assets: Certain assets, such as premiums over 90 days past due, excess of book value over market value for securities, and prepaid expenses, are nonadmitted and are charges against surplus.

Premiums: Member premiums and government program revenues are recognized in the period in which enrollees are entitled to receive health care services and are included in premium income, net of reinsurance expense. Premiums received prior to the period of coverage are reflected as premiums received in advance. Uncollected premium balances that are over 90 days past due are considered nonadmitted assets.

Reinsurance: Premiums, commissions, expense reimbursements, and reserves are reported on a basis consistent with the original policies issued and the terms of the reinsurance agreements. Premiums ceded are reported as a reduction of premium income. Claims unpaid and unpaid claims adjustment expenses are reported as reductions of those items.

Analysis of Assets:

The Company reported uncollected premiums and agents' balances in the course of collection totaling \$708 as non-admitted as of December 31, 2024.

Reinsurance Activity:

The Company has an excess of loss reinsurance contract to minimize its exposure to losses. Reinsurance contracts do not relieve the Company of its primary obligation to policyholders. Failure of the reinsurers to discharge their obligations could result in losses to the Company. The Company utilizes Risk Strategies Company as a reinsurance intermediary to negotiate and obtain reinsurance contracts on its behalf for specifically identified risks.

Direct and ceded premiums written and earned are as follows:

	2024	2023
Direct written and earned	\$2,124,257	\$-
Ceded written and earned	2,954	-
Net written and earned	\$2,121,303	-

The reinsurer shares the risks as specified in the reinsurance contract. The type of contract and the Company's retention limit are described under the Reinsurance Program Overview.

Summary of Reserves:

The following provides a reconciliation of the Company's reserves for claims unpaid and unpaid claims adjustment expenses:

	2024	2023
Reserve for claims unpaid and unpaid claims adjustment expenses, beginning of year	\$-	\$-
Add:		
Provision for claims unpaid and unpaid claims adjustment expenses, current year	2,509,964	-
Change in provision for claims unpaid and unpaid claims adjustment expenses, prior years	-	-
Total incurred	2,509,964	-
Deduct:		
Claims unpaid and unpaid claims adjustment expenses paid, current year	1,859,423	-
Claims unpaid and unpaid claims adjustment expenses paid, prior year	-	-
Total paid	1,859,423	-
Reserves for claims unpaid and unpaid claims adjustment expenses, end of year	650,541	-
Increase in reserves for claims unpaid and unpaid claims adjustment expenses	\$650,541	\$-

Reserves for claims unpaid and unpaid claims adjustment expenses have not been reduced by amounts that are recoverable under the Company's reinsurance contracts.

SUBSEQUENT EVENTS

On April 9, 2025, the Department approved an amendment to the Company's license to add the following thirteen (13) North Carolina counties: Bertie, Brunswick, Chowan, Clay, Davidson, Edgecombe, Macon, Martin, Nash, Pender, Rowan, Stanly, and Union.

Provider Partners Health Plan of North Carolina, Inc.
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2024

Bruce R. Grindrod, CEO and President
Provider Partners Health Plan of North Carolina, Inc.
111 Oakwood Drive, Suite 420
Winston-Salem, North Carolina 27103

Mary Beth McIntyre, VP of Finance
Provider Partners Health Plan Inc.
8820 Columbia 100 Parkway, Suite 430
Columbia, MD 21045

CONCLUSION

The examination procedures described herein revealed no material adverse findings or adjustments to surplus.

We conclude that the Company complies with the minimum net worth requirements of GS § 58-67-110(b) for the kinds of insurance that the Company has been authorized to write, which is \$1,000,000.

The courteous cooperation and assistance extended by the officers and employees of the Company during the examination is hereby acknowledged.

Respectfully submitted,



Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
North Carolina Department of Insurance

May 14, 2026

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Idette Stokes, Supervising Insurance Company Examiner with the North Carolina Department of Insurance, being first, duly sworn, deposes and says that this report on examination, subscribed by her, is true and correct to the best of her knowledge and belief.

Signature: Idette Stokes Date: 5/14/2026

Sworn and subscribed before me this 14th day of May, 2026.

Notary Public Signature: Isaiah N. Brown Notary Public Seal:

